

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN DAVE LEWIS**, on March 19, 2003 at 8:10 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Dave Lewis, Chairman (R)
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)
Rep. Edith Clark, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Tim Callahan (D)
Rep. Stanley (Stan) Fisher (R)
Rep. Eve Franklin (D)
Rep. Dick Haines (R)
Rep. Donald L. Hedges (R)
Rep. Joey Jayne (D)
Rep. Carol C. Juneau (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. John Musgrove (D)
Rep. Jeff Pattison (R)
Rep. Rick Ripley (R)
Rep. John Sinrud (R)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Jon Moe, Legislative Branch
Mary Lou Schmitz, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 6, HB 7, HB 8, HB 10, HB 560,
HB 742, 3/7/2003

Executive Action: HB 6, HB 7, HB 8, HB 10, HB 738,
HB 4, HB 3, HB 12, HB 11, HB 735,
HB 739

HEARING ON HB 560

Sponsor: REP. CHRISTINE KAUFMANN, HD 53, Helena

Opening Statement by Sponsor:

REP. KAUFMANN said this bill allows for the creation of state debt of general obligation bonds for the building of the Helena College of Technology. Last session one of the very top projects was the Helena College of Technology to fund construction of a new classroom building there. It was removed from the list through the process so it was not one of the priorities that got funded. It remains a top priority for the City of Helena and the University System. There are about five locations around town where students have to run back and forth in order to get to their classes. The programs are expanding. This is the way to invest in economic development, by investing in work training. The fiscal note shows there is no fiscal impact in the current biennium. The purpose of the bill is to set up the process, allow people to go ahead and make the negotiations. The project would involve the sale of a building, could enter into agreements to sell the current building, match it with the bonding money and build a new building which would be out near the airport.

Proponents' Testimony:

Tim Burton, Helena City Manager, said he hopes they can find a way to continue the dialog and make some steps forward.

SENATOR MIKE COONEY, SD 26, Helena, said education is the engine that will drive economic development. Two-year education is continuing to grow in its importance.

Steve Hoyle, CEO and Dean for UM-Helena College of Technology, said this is a non-partisan issue. Eighty percent of U.S. jobs depend upon technical and two-year colleges. Only twenty percent require a baccalaureate degree. Ninety-two percent of their graduates stay in Montana. Ninety-seven percent of their technology students place upon graduation. He asked the committee to approve this bill.

Russ Ritter, Citizen, City of Helena and Washington Corporation, Missoula, said the students that come here come from all over the state of Montana so this is not just a Helena bill. Once the

students graduate and receive their technical training, they are ready to go to work in Montana.

Joe Clark, Student Center President, UM-Helena College of Technology spoke in favor of the bill.

Opponents' Testimony: None

Informational Testimony:

Jim Whaley, Architectural Engineering Division, said the money they received last session afforded them the opportunity to do a detailed book of the needs, not only the growth needs of the institution, but also the needs, programmatically, of how they function and how they operate. This bill represents the best long-term solution for the College of Technology.

Questions from Committee Members and Responses:

REP. FISHER asked what is going to be the cost of the facility and how will that be covered? **Mr. Hoyle** said they used \$4.50 per square foot for cost for maintenance. The overhead would go up a little.

Closing by Sponsor:

REP. KAUFMANN referred the committee to the last line on Page 1 of the bill, and continuing on to Page 2; "The Helena College of Technology will be reduced by \$100,000 a year because of the savings associated with the consolidation of services. Once there is a facility and the campus is co-located at one site, there will be a cross-savings and that will be reflected by a lowering of the base." **REP. KAUFMANN** closed the hearing on HB 560.

HEARING ON HB 10

Sponsor: **REP. RICK MAEDJE, HD 81, Fortine**

Opening Statement by Sponsor:

REP. MAEDJE said, "After World War II a substantial deposit of vermiculite was located outside the town of Libby. It was mined and used in fertilizer because of vermiculite's ability to retain water. It was then discovered that vermiculite was an excellent insulator and as such, was used in structural insulation. The problem is, vermiculite has to be separated from the ore that is in there. When that was done, it was a milling process and at

the time, during the 1940s and 50s, little was known about potential health risk of asbestos. It takes years for the exposure to manifest itself into disease."

"Because of the budget situation the EPA has recognized we cannot come up with the \$79 million that it would likely cost for clean-up. The Governor's office and the Department of Environmental Quality have come up with an agreement with EPA to use bonding, about \$5 million, in the sale of bonds to create a debt service of \$430,000 a year. That is what this bill does and there are some amendments to the bill."

Proponents' Testimony:

Tom Livers, Department of Environmental Quality, said this bill is a necessary part of clean-up of asbestos in and around Libby. It finances removal of asbestos from contaminated homes and yards in Libby and Troy. It is being done under CERCLA which is better known as the Federal Superfund Act, where the federal government will pay 90% and the state will pay 10%. The state matching share, 10%, will come from existing bonding authority, and will range between \$7 million and \$8 million.

Opponents' Testimony: None

Informational Testimony:

Mike Barrett, Helena

{Tape: 1; Side: A; Approx. Time Counter: 0 - 29.4}

Questions from Committee Members and Responses:

In answer to a question from **REP. FISHER, Mr. Livers** said the source of income to the Resource Indemnity Trust (RIT) is the gross revenue taxes imposed on various mineral mining operations, such as coal, and includes vermiculite. Part of the rationale for using this as a source for the Libby clean-up is that this is the industry associated with the necessary clean-up.

Closing by Sponsor:

REP. MAEDJE closed the hearing on HB 10.

HEARING ON HB 742

Sponsor: **REP. SANDY WEISS, HD 13, Billings**

Opening Statement by Sponsor:

REP. WEISS said, "This is a new program, a Summer Youth Tobacco Prevention Program, and explained the Sections of the bill. In 2000, 70% of Montana voters supported creating Initiative I-146 and in 2002, 65% of the voters in Montana approved that Initiative which mandated that 32% of the yearly income from the tobacco settlement must be used for prevention. Montana receives approximately \$30 million from this tobacco settlement and with 65% of the voters approving it, the people of this state have spoken and, as legislators, we can do nothing less than the will of the people. This program will help and improve work related skills while showing them the health risk, medical costs and human suffering that is a result from the use of tobacco products."

EXHIBIT (aph58a01)

Proponents' Testimony:

Carol Brooker, Sanders County Commissioner and President, Montana Association of Counties.

Bill Kennedy, Montana Association of Counties, Billings.

Bob Henry, Chairman, Comprehensive Employment Program/Workforce Investment Board.

Webb Brown, Montana Chamber of Commerce.

Andrew Hunthausen, Career Training Institute, Helena

Dennis O'Reilly, District 7, Billings, Youth Director.

Tanya Nugent, Employed as an Employment Training Specialist, District 4, HRDC, Havre.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 29.6}

Britney Jones, District 4, HRDC, Havre.

Sue Mohr, Executive Director, Montana Job Training Partnership.

Opponents' Testimony:

Joe Mazurek, Protect Montana Kids, said he opposes the bill, which is taking money initially from the Trust, but now from the I-146 Special Revenue Account. This bill establishes the Summer Youth Tobacco Prevention Program. It is administered by the

Department of Labor. It's stated purpose is to provide summer-time jobs, which is very laudable. It will reach about 200-250 kids a year. The principle purpose is to provide summer jobs. It was formerly federally funded, now it would be funded with the tobacco prevention monies. He suggested that this program should compete with the programs that all of the other communities have that they want to use for tobacco prevention. The state is directed to use the tobacco settlement money for comprehensive tobacco-use prevention. Mr. Mazurek handed out and explained Exhibit 2.

EXHIBIT (aph58a02)

Dick Paulsen, Director, American Lung Association, spoke in opposition to the bill.

Cliff Christian, American Heart Association, also spoke in opposition to the bill.

Kathy McGowan, spoke on behalf of **Jim Ahrens, Alliance for Healthy Montanans,** and said there are any number of very worthy programs, such as Big Brothers/Big Sisters, that could benefit out of the tobacco settlement money, but where do they draw the line. They need to rely on that broad group of the Governor's Council to figure that out.

Informational Testimony:

Gordy Higgins, Department of Labor and Industry, said they are the recipient of the appropriation contained in the bill and is available for any questions regarding how the department will administer that.

Georgiana Gulden, Department of Public Health and Human Services, is available for questions.

Questions from Committee Members and Responses:

REP. JAYNE asked **REP. WEISS** for further explanation concerning the jobs program.

REP. KAUFMANN referred a question to **Ms. Gulden** concerning tobacco prevention education in schools. **Ms. Gulden** said the youth also need to be involved in the community as advocates for smokeless schools. The life-skills program is presented in the schools to the middle graders.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 29.2}

REP. KAUFMANN asked the sponsor to explain the money. **REP. WEISS** referred to and explained amendments which will be distributed to committee during executive action.

Closing by Sponsor:

REP. WEISS closed the hearing on HB 742.

EXECUTIVE ACTION ON HB 6

Discussion:

REP. WITT thanked the agencies for their efforts in working with the subcommittee on Long Range Planning.

Motion: **REP. WITT** moved that HB 6 DO PASS.

Discussion:

REP. WITT handed out Exhibit 3 and explained HB 6, which is an Act appropriating money for the Department of Natural Resources and Conservation for Renewable Resource Grants. Four million dollars of the RIT Trust Fund interest is allocated for the Renewable Resource Grants.

EXHIBIT(aph58a03)

Motion/Vote: **REP. KASTEN** moved that HB 6 BE AMENDED, HB000601.acd, Exhibit 4. Motion carried unanimously 15-0 on a voice vote. (REPS. BUZZAS, BRUEGGEMAN, HAINES and SINRUD were absent and did not leave proxy votes.)

EXHIBIT(aph58a04).

Motion: **REP. WITT** moved that HB 6 DO PASS AS AMENDED.

REP. PATTISON referred a question to John Tubbs, Bureau Chief, Department of Natural Resources. **Mr. Tubbs** said the Milk River Joint Board of Control applied for the Nelson Reservoir Pumping Design Project for \$100,000 for the final design of the \$10 million pumping plant at Nelson. This issue is being dealt with through the Compact Commission. The final design, if necessary, is going to be in the next biennium and not the current one. Essentially, this project is being funded through contracted services in the Department of Natural Resources to look at a better alternative for the Nelson Pump Plan. It was a timing issue of working with the Bureau of Reclamation and the Compact Commission.

REPS. JUNEAU and JAYNE asked Mr. Tubbs for further explanation.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 30.4}

REPS. FRANKLIN and LINDEEN referred questions to Mr. Tubbs.

REP. WITT closed on the bill and amendment.

Motion/Vote: REP. LINDEEN moved that HB 6 BE AMENDED TO CORRECT THE SPELLING OF "BALLANTIN". Motion carried unanimously 16-0 on a voice vote. (REPS. BUZZAS, BRUEGGEMAN and SINRUD were absent)

Vote: Motion on HB 6 DO PASS AS AMENDED carried unanimously 16-0 on a voice vote. (REPS. BUZZAS, BRUEGGEMAN and SINRUD were absent)

EXECUTIVE ACTION ON HB 8

Discussion:

REP. WITT said HB 8 is an Act approving projects and authorizing loans for renewable resources. The projects in HB 8 are described in Volume VI of the Governor's budget. The Department of Natural Resources and Conservation is authorized to issue Coal Severance Tax Bonds. Local governments then borrow the proceeds from the Department for construction. This bill will require a 3/4 vote in both Houses because it authorizes the use of the deposits to the Coal Severance Tax Trust Fund to pay debt service on the state bonds. There are four new loans authorized in HB 8 for just under \$3 million. In addition there are \$7.7 million in loans for previous authorized projects.

Motion: REP. WITT moved that HB 8 DO PASS.

Motion/Vote: REP. KASTEN moved that HB 8 BE AMENDED, HB000801.acd, Exhibit 5. Motion carried unanimously 16-0 on a voice vote. (REPS. BUZZAS, BRUEGGEMAN and SINRUD were absent)
EXHIBIT(aph58a05).

Motion/Vote: REP. WITT moved that HB 8 BE AMENDED, HB000802.acd, Exhibit 6. Motion carried unanimously 16-0 on a voice vote. (REPS. BUZZAS, BRUEGGEMAN and SINRUD were absent)
EXHIBIT(aph58a06).

Discussion:

Mr. Tubbs explained Exhibit 7.

EXHIBIT(aph58a07)

Motion/Vote: REP. WITT moved that HB 8 DO PASS AS AMENDED.

Motion carried unanimously 16-0 on a voice vote.

EXECUTIVE ACTION ON HB 7

Motion: REP. WITT moved that HB 7 DO PASS.

Discussion:

REP. WITT said HB 7 is an Act appropriating money to the Department of Natural Resources and Conservation from Reclamation of Development Grants and \$2.4 million of the RIT Trust Fund interest is allocated for Reclamation and Development Grants. This is down from \$3 million as a result of legislature action during the special session.

Motion/Vote: REP. KASTEN moved that HB 7 BE AMENDED, HB000701.ate, Exhibit 8. Motion carried unanimously 16-0 on a voice vote.

EXHIBIT(aph58a08).

Motion/Vote: REP. KASTEN moved that HB 7 BE AMENDED, HB000701.acd, Exhibit 9. Motion carried unanimously 16-0 on a voice vote.

EXHIBIT(aph58a09)

Motion: REP. WITT moved that HB 7 BE CONCEPTUALLY AMENDED PER THE GREEN SHEET, Exhibit 10.

EXHIBIT(aph58a10)

Discussion:

Mr. Tubbs explained the Green Sheet, Exhibit 10, and the changes to it for the above amendment.

Vote: Motion carried unanimously 16-0 on the Conceptual Amendment on a voice vote.

Motion/Vote: REP. WITT moved that HB 7 DO PASS AS AMENDED.

Motion carried unanimously 17-0 on a voice vote. (REPS.

BRUEGGEMAN and SINRUD were absent)

EXECUTIVE ACTION ON HB 10

Motion: REP. RIPLEY moved that HB 10 DO PASS.

Discussion:

Sandy Olsen, Department of Environmental Quality, said the funding for the CERCLA, (Comprehensive Environmental Response Clean-up and Liability Act) (Federal Superfund) match, under HB 10, will come from a diversion of the proceeds of the ground water assessment taxes.

Motion/Vote: REP. RIPLEY moved that HB 10 BE AMENDED, HB001001.acd, Exhibit 11. Motion carried unanimously, 17-0 on a voice vote.

EXHIBIT(aph58a11).

Motion/Vote: REP. RIPLEY moved that HB 10 DO PASS AS AMENDED. Motion carried unanimously, 17-0 on a voice vote.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 29.7}

EXECUTIVE ACTION ON HB 738

Discussion:

REP. HAINES explained the Bill and amendment briefly.

Motion: REP. HAINES moved that HB 738 DO PASS.

Motion: REP. HAINES moved that HB 738 BE AMENDED, HB073802.ajm, Exhibit 12.

EXHIBIT(aph58a12).

Discussion:

REPS. HAINES, FRANKLIN, CALLAHAN, JAYNE and FISHER discussed the bill and amendment further.

Substitute Motion/Vote: REP. FISHER moved that HB 738 BE TABLED. Motion carried 11-8 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HAINES, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call vote.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 29.7}

CHAIRMAN LEWIS announced a recess until after House adjournment. The committee reconvened at 2:30 p.m.

EXECUTIVE ACTION ON HB 4

Motion: REP. BRUEGGEMAN moved that HB 4 DO PASS AS AMENDED.

Motion/Vote: REP. BRUEGGEMAN moved that HB 4 BE AMENDED, HB000402.ate, Exhibit 13. Motion carried unanimously 15-0 on a voice vote. (REPS. BUZZAS, FRANKLIN, HAINES and JUNEAU were absent)

EXHIBIT(aph58a13).

Motion/Vote: REP. BRUEGGEMAN moved that HB 4 BE AMENDED, HB000401.ate. Motion carried 18-1 with REP. SINRUD voting no on a voice vote.

Motion/Vote: REP. BRUEGGEMAN moved that HB 4 DO PASS AS AMENDED. Motion carried unanimously 17-0 on a voice vote. (REPS. FRANKLIN and HAINES were absent)

EXECUTIVE ACTION ON HB 3

Motion: REP. BRUEGGEMAN moved that HB 3 DO PASS.

Motion: REP. BRUEGGEMAN moved that HB 3 BE AMENDED, HB000301.ate, Exhibit 14.

EXHIBIT(aph58a14)

Discussion:

REP. BRUEGGEMAN explained the amendment. **Jim Standaert, Legislative Fiscal Division**, handed out and explained Exhibit 15. **EXHIBIT**(aph58a15)

Vote: Motion on Amendment HB000301.ate carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

Motion/Vote: REP. BRUEGGEMAN moved that HB 3 BE AMENDED, HB000302.ate, Exhibit 16. Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

EXHIBIT(aph58a16)

Motion/Vote: REP. BRUEGGEMAN moved that HB 3 DO PASS AS AMENDED.

Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

EXECUTIVE ACTION ON HB 12

Motion: REP. KASTEN moved that HB 12 DO PASS.

Discussion:

REP. KASTEN said the bill saves energy and money for the State of Montana. Under this program, the state sells general obligation bonds to finance energy efficiency and conservation improvements to state facilities. The resulting energy cost savings cover the debt service and all program costs. Typical projects include upgrades, replacement of boilers, ventilation systems and lighting in state buildings. Any additional savings above the cost are swept annually into long range building programs and in the last ten years the program has contributed almost \$1 million in net savings to the long range building program.

Motion/Vote: REP. KASTEN moved that HB 12 BE AMENDED, HB001201.acd, Exhibit 17. Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)
EXHIBIT(aph58a17) .

{Tape: 4; Side: A; Approx. Time Counter: 0 - 29.2}

Motion: REP. KASTEN moved that HB 12 DO PASS AS AMENDED.

Discussion:

In answer to a question from **REP. PATTISON, Tom Livers, Department of Environmental Quality**, said schools are not included in this program. The way this is set up, the state sells general obligation bonds and then the proceeds pay for energy efficiency. They are not able to do that with school facilities. However, they have a companion program available for schools.

Vote: Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

EXECUTIVE ACTION ON HB 11

Motion: REP. KASTEN moved that HB 11 DO PASS.

Motion/Vote: REP. KASTEN moved that HB 11 BE AMENDED, HB001102.ate, Exhibit 18. Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

EXHIBIT (aph58a18)

EXHIBIT (aph58a19)

Motion/Vote: REP. LINDEEN moved that HB 11 BE CONCEPTUALLY AMENDED TO CORRECT SPELLING OF BALLANTIN. Motion carried unanimously 17-0 on a voice vote. (REP. FRANKLIN and HEDGES were absent)

Motion/Vote: REP. KASTEN moved that HB 11 DO PASS AS AMENDED. Motion carried unanimously 18-0 on a voice vote. (REP. FRANKLIN was absent)

EXECUTIVE ACTION ON HB 750
AMENDMENTS ONLY

Motion: REP. CLARK moved that HB 750 DO PASS.

Motion/Vote: REP. CLARK moved that HB 750 BE AMENDED, HB075002.ate, Exhibit 20. Motion carried 16-1 with REP. JAYNE voting no on a voice vote. (REP. FRANKLIN and HAINES were absent)

EXHIBIT (aph58a20).

Motion: REP. PATTISON moved that HB 750 BE CONCEPTUALLY AMENDED TO RESTORE ALL TO THE GOVERNOR'S BUDGET EXCEPT FOR THE FUND TRANSFERS, JUST GENERAL FUND.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 29.5}

Vote: Motion carried unanimously 17-0 on a voice vote. (REP. FRANKLIN and HAINES were absent)

EXECUTIVE ACTION ON HB 735

Motion: REP. FISHER moved that HB 735 DO PASS.

Motion/Vote: REP. FISHER moved that HB 735 BE AMENDED, HB0073501.ajm. Motion carried 18-1 with REP. KASTEN voting no on a voice vote.

Substitute Motion: REP. KASTEN made a substitute motion that HB 735 BE TABLED. REP. KASTEN withdrew the motion.

Discussion:

REPS. LEWIS, BUZZAS, and FISHER, discussion and clarification,

Substitute Motion: REP. BUZZAS made a substitute motion that HB 735 BE TABLED. Motion failed 6-13 with REPS. BUZZAS, FRANKLIN, JAYNE, KASTEN, KAUFMANN and SINRUD voting yes on a roll call vote.

Motion/Vote: REP. FISHER moved that HB 735 DO PASS AS AMENDED. Motion carried 16-3 with REPS. BUZZAS, JAYNE and PATTISON voting no on a voice vote.

EXECUTIVE ACTION ON HB 739

Motion/Vote: REP. FISHER moved that HB 739 BE TABLED. Motion carried 12-7 with REPS. CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and SINRUD voting no on a roll call vote.

{Tape: 5; Side: A; Approx. Time Counter: 0 - 19.4}

ADJOURNMENT

Adjournment: 3:50 P.M.

REP. DAVE LEWIS, Chairman

MARY LOU SCHMITZ, Secretary

DL/MS

EXHIBIT (aph58aad)